



Customer Empowerment: Self-efficacy and the power of “the moment”

Humblī whitepaper

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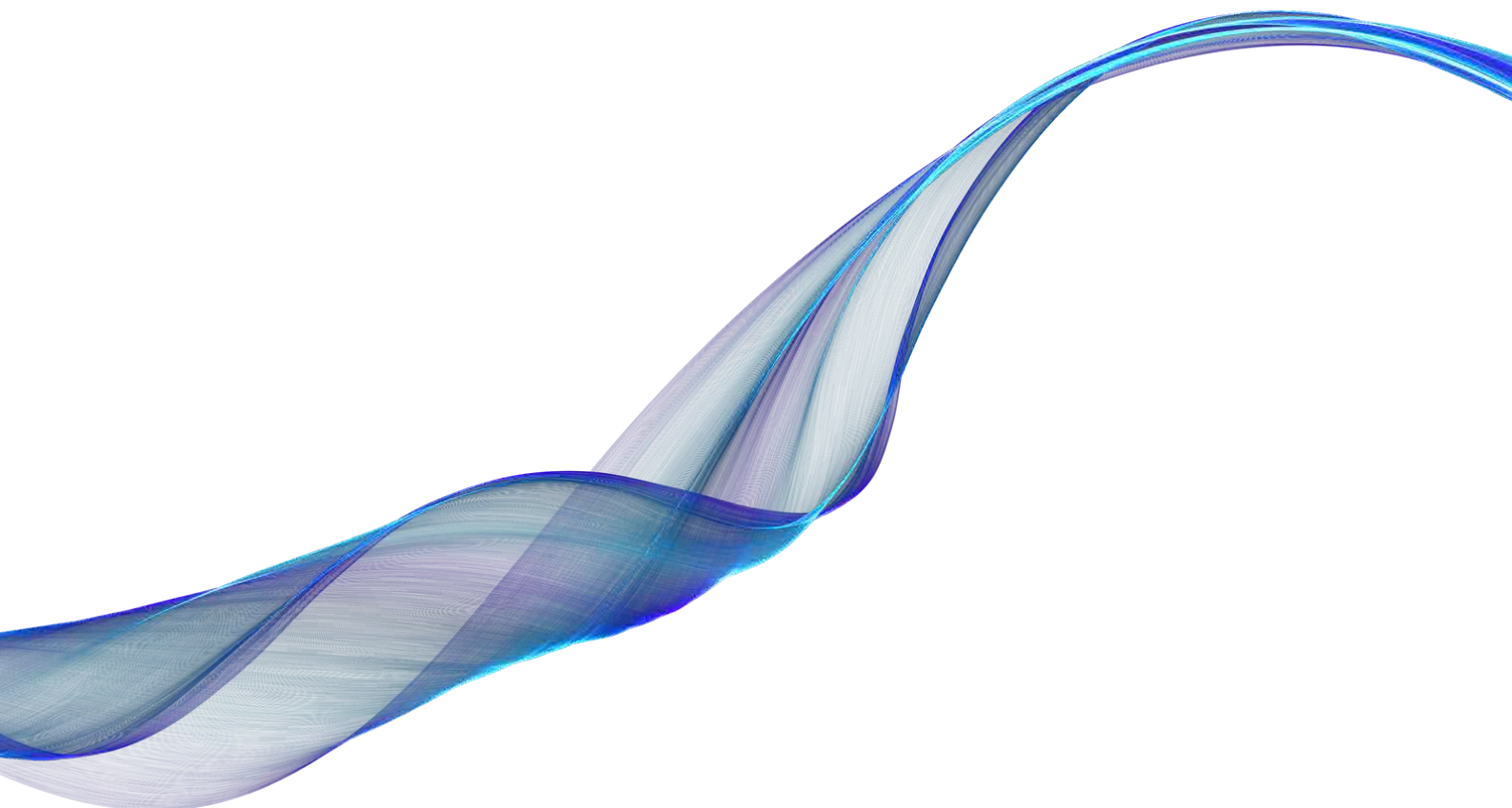
**Customer Empowerment: Self-efficacy and
the power of “the moment”**

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Executive Summary

Organisations invest a lot of time, money and energy in creating customer education content online, and it's become increasingly clear that customers expect to find digital educational resources for the products and services they use.

Despite the prevalence of these resources, digital education comes with the inherent challenge of cut-through; people are busy, distractions are everywhere, and customers are more discerning of customer engagement initiatives.

Whether online or otherwise, learning experiences that develop your customer's self-efficacy are shown to boost empowerment, increase trust and loyalty.

Humbli has developed a consumer empowerment model to help organisations improve their customers' self-efficacy through their digital customer journey. This model underpins our ***InsightBridging*** experiences, which have delivered a lot of value in the finance and utilities sectors over the last twelve months.

We've also learned a lot about how our model can be applied in different contexts and settings, leading to a range of possibilities that we'll be exploring in the coming months.

We're sharing this research for the benefit of other customer-centric organisations, and we're excited to discuss the next generation of possibilities that we're exploring right now. We hope you're excited too.



What makes customer education so powerful?

75% of Australian consumers want the ability to easily identify options that meet their needs (Accenture, 2024). This statistic is one of many research and experiential findings that point to education as critical to customer engagement and loyalty.

We wanted to know why consumers value education as much as they do. So in 2022, with the help of Research Ink, we surveyed 1,696 prospective homebuyers and guarantors to explore what makes customer education so powerful.

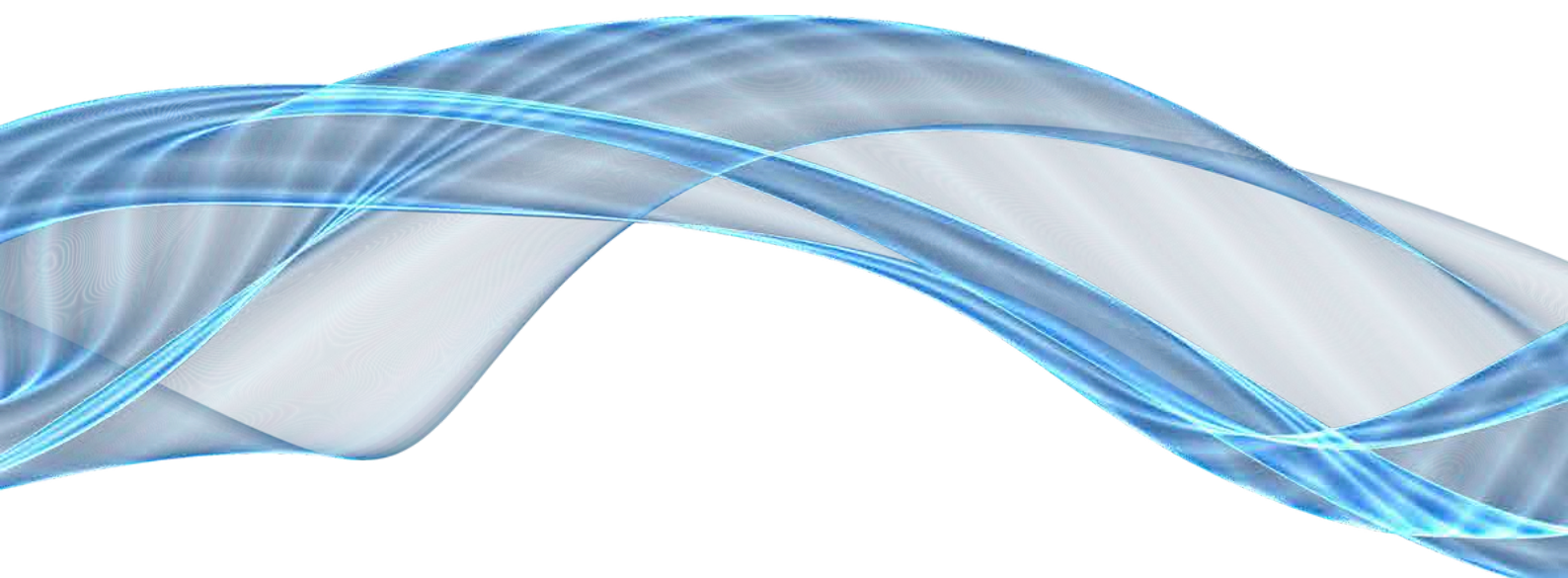
We proposed the appeal of a mortgage lender that provided financial literacy education, and also required a first-time homebuyer to pass a knowledge assessment in order to be eligible for a home loan.

73% of first-time homebuyers and 75% of guarantors found this process appealing, with less than 10% finding it unappealing.

We then asked why this process carried such appeal. The three most common responses were that a lender that provided high-quality educational experiences to applicants would:

- Improve financially responsible decision-making
- Offer something unique to other financiers
- Reduce stress and anxiety during the loan journey

These findings suggest that consumers prefer to learn how to make effective decisions, and look favourably on service providers that empower them to do so.



"Being informed in a way that's accessible and easy to understand would have removed so much stress and built my confidence."

Katrina, 38

Humbli value proposition market testing.
Conducted by Digital Creators.
May 2022.



What makes customer education so challenging?

Our research seems to suggest that a focus on customer education would be a unique value proposition. However, organisations spend a lot of time and effort educating their customers, based on the abundance of customer content available online from most major brands. Is it possible that organisations are supplying customers with too much information?

A common assumption is that more information leads to better learning, and more options leads naturally to empowerment. But this can backfire in a customer journey.

For example, in the last three months of 2023 -- some of the busiest shopping periods of the year -- 74% of surveyed consumers had walked away from purchases due to feeling overwhelmed by choice and information (Accenture, 2024).

Customers in these situations who follow through with their purchases may come off even worse. Information-dense environments have been reported to increase the chance of buyer's remorse, as customers who do not understand their purchasing decision are more likely to regret it (Peng et al., 2021).

As customers become more discerning of customer engagement initiatives, learning experiences tend to miss the mark when they:

- Overwhelm the customer with too much choice and information;
- Fail to capture the customer's attention; or
- Appear to channel the customer towards an immediate sale.

Even if short-term sales increase, these practices can negatively impact brand equity and increase operational costs via complaints, returns and the need for public statement.

So, if customers want empowerment without the overwhelm, how do we provide that?

What makes customer education so empowering?

From the research discussed so far, we see that consumers tend to value self-efficacy: the confidence in their own ability to make effective decisions.

Literature reviews (Flowers et al., 2001; Antonios, 2011) and depth interviews (Garlin & McGuiggan, 2002) also find that self-efficacy is the most empowering outcome of customer education, and one of the strongest predictors of customer loyalty.

IKEA is a brand that embodies this approach to customer engagement. Much of their low-cost furniture requires the customer to assemble it, but as long as they successfully complete the task, the customer generally values the product more highly - a phenomenon coined by researchers as “the IKEA effect”. (Norton et al., 2012). The takeaway: When you give your customers an experience that boosts confidence in their own abilities, they’ll love you for it, and they’ll come back for more.

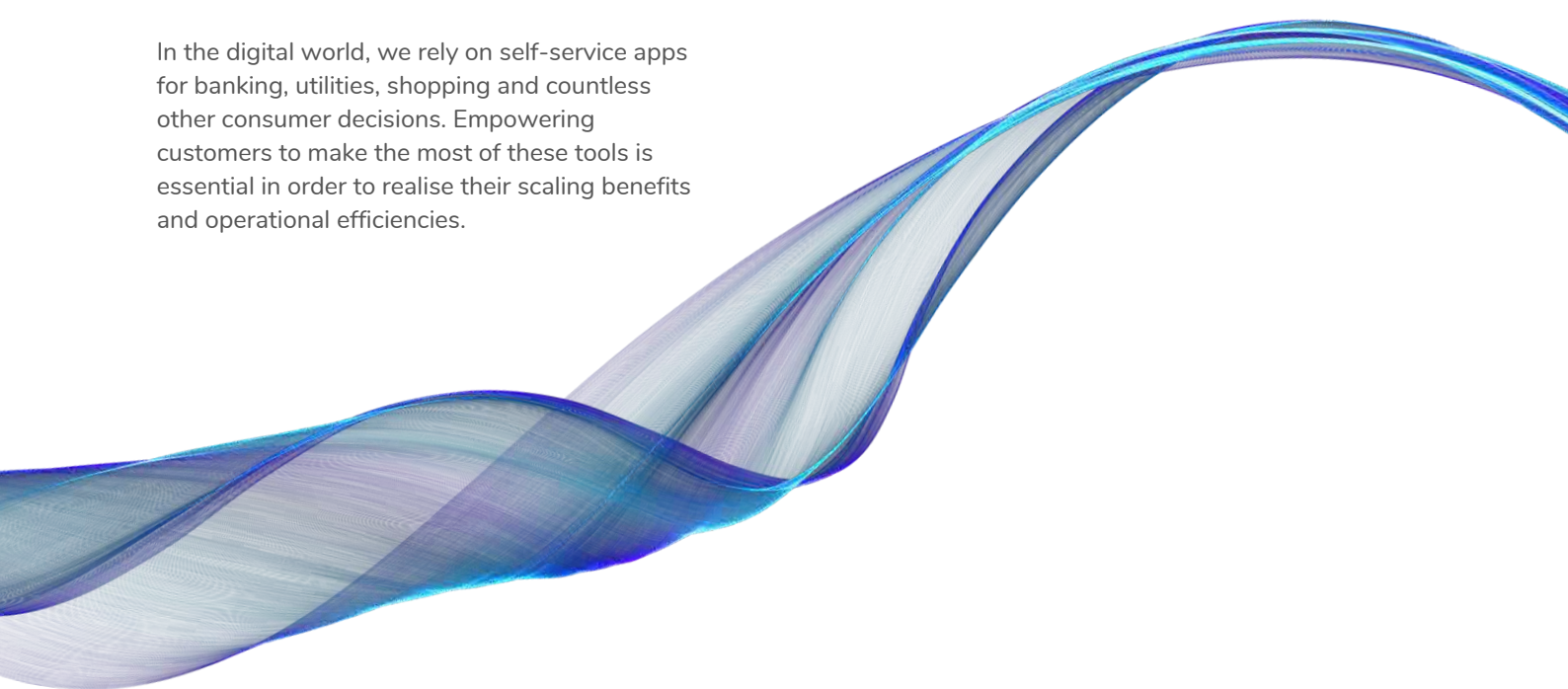
In the digital world, we rely on self-service apps for banking, utilities, shopping and countless other consumer decisions. Empowering customers to make the most of these tools is essential in order to realise their scaling benefits and operational efficiencies.

Beyond commerce, there are implications for social change as well:

- 65% of Australian consumers say they would make more sustainable purchases if they knew how to identify sustainable products (Research Ink, 2024).
- 62% of Australian employers say that a lack of confidence in dealing with people with disability was a challenge to hiring people with disability (AIHW, 2022).

We can see that the barriers to change adoption often stem from a lack of confidence, which if addressed, can lead to meaningful social impact.

By focusing on and measuring self-efficacy, organisations can create learning experiences that provide greater value, increase trust in their brand, and improve customer satisfaction and loyalty.





Making the most of the moment: a model for consumer empowerment

Even the most fluid, intuitive digital experience is made up of small, definable components. By the same token, a customer journey is the sum of many *small, definable moments*.

We look closely for moments where we can apply digital learning theory to the customer's online experience. Doing so has helped us develop **a model for consumer empowerment** that makes the most of key moments in the customer journey. Leveraging the characteristics of our digital world, this model is based on six core principles.



Provide “21st-century knowledge”. Knowledge used to refer to what you’ve memorised, but in a digital world, accessing information is more important and practical than memorising it (Siemens, 2005). Connect a single moment to a network of information, and your customers will have knowledge whenever they need it.



Connect intrinsic motivators and external incentives. Your key moments are likely to focus on external incentives, like saving money. Keep in mind that intrinsic motivators, like personal autonomy, influence learner focus and the quality of learning outcomes (Ryan & Deci, 2000). Get to know what matters to your customers, and how that connects to the key moment.



Identify actionable insights. For each key moment in your customer journey, share the critical insights that empower your customers to take effective action. This “just-in-time” approach to learning reinforces the key insight, builds self-efficacy and establishes trust.



Build upon your customer's foundations. The more complex the key insight, the more “rungs” needed on the ladder to get there, so be sure to connect your key insight to something that your customers already know. Since our digital landscape is awash with disinformation, be aware of any misconceptions you may need to address.



Use accessible and inclusive media. To make digital learning experiences more accessible, focus on making them perceivable, operable, understandable and robust (WC3, 2023). Additionally, consider how you can create a genuine, representative experience for your audience.



Continuously analyse and refine the experience. Our digital world requires a lot of agility to respond to emerging customer needs. This is powered by analysing your designs, learning from customer feedback, and a regular iteration cycle. Machine learning and generative AI can optimise these cycles for a more efficient and robust continuous improvement process.

Case Study: InsightBridging

We've used our model for consumer empowerment to develop a learning experience that we call **InsightBridging**: a brief experience designed specifically to communicate a key insight at an important moment in the customer journey.



An InsightBridge is a brief learning experience embedded in a key moment, and connected to multiple touchpoints in the customer journey.



A video format spotlights intrinsic motivators to make more relatable content, which deepens engagement and learning efficacy.



The brevity of an InsightBridge is deliberate: it requires our clients to focus on the key insight, with no wasted words and optimal cut-through.



This is a modular learning experience: a number of InsightBridges can be connected to form different journeys depending on the customers' existing knowledge, or developed quickly to respond to address needs as they emerge.



Our in-house creative team uses WCAG 2.2 accessibility standards for each asset. We use a combination of animation and photography to create accessible and inclusive experiences for our clients' diverse audiences.



We've developed a LLM tool that reviews our content for learning effectiveness and adherence to our ethical standards (e.g., transparency of intent). We use xAPI learning analytics to show us what's working for customers, so we can continuously refine both the experience and the underpinning technology.



Case Study: InsightBridging

Application: Customer empowerment & engagement

Our client, one of Australia's largest electricity distribution network providers, plays a critical role in delivering services to millions of households and businesses.

Many consumers have not been shown how to reduce their energy costs and make more sustainable choices. Our client receives regular enquiries from consumers who have been referred by their retailer, many of whom have questions and misconceptions about how their energy usage is reflected in their bill.

To address this, we created a suite of six InsightBridges to empower consumers with the knowledge they need to take control of their energy use.

These address key moments such as understanding your energy bill, discussing pricing plans with retailers, and optimal timing of electricity usage at home.

An independent assessment identified that general understanding of electricity bills increased by 29%, and that 4 out of 5 customers plan to take action as a result of the experience.

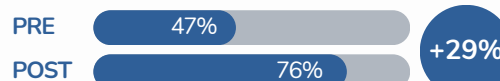
As the energy sector continues to innovate, it's important to bring consumers on that journey. This uplift in consumer self-efficacy is very encouraging for any organisation looking to engage their customers through a period of significant change.

Impact on propensity to act

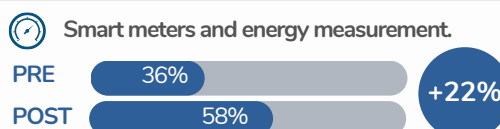
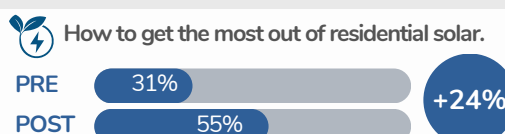
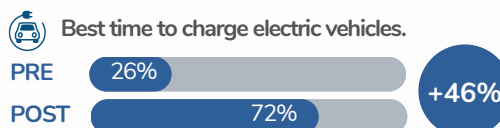
4 out of 5 consumers plan to take action.



Impact on consumers' understanding of their electricity bills



Increased understanding among consumers of complex energy products



Case Study: InsightBridging

Application: Intermediary engagement & channel growth

Our client is a well-regarded Australian mortgage lender who specialises in residential mortgages, and was facing a challenge with their loan application platform.

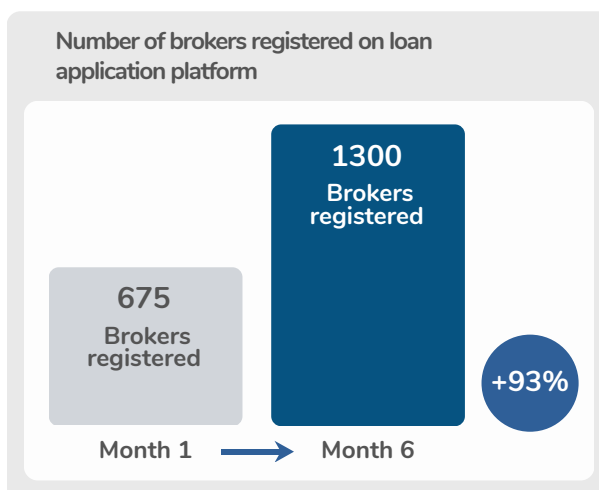
Despite having around 4,500 accredited brokers able to sell their mortgage products, the platform was being significantly underutilised. In October 2023, only 675 brokers were registered, with the rest citing difficulties in understanding how to best engage with the lender's target market.

We produced a series of InsightBridges to embed within their broker portal. The aims of this experience were:

- Boost registrations to the loan application portal by promoting the existence of these resources
- Teach brokers how to engage with the more nuanced details of the lender's customer base and products
- Improve the accuracy and efficiency of loan applications

These InsightBridges were designed to be accessible right in the "flow of work," meeting brokers where they had the most immediate need.

The results have been impressive: by April 2024, the number of registered brokers more than doubled to over 1,300, and we've received substantial feedback showing that this broker community is processing applications with greater confidence, accuracy and efficiency.



What's next: exploring new possibilities

The value created through InsightBridging has been a powerful validation of our model for consumer empowerment. Helping people develop self-efficacy within a customer journey is gratifying in its own right, and is contributing to deeper, trust-based relationships for our clients and their customers.

In the months ahead, we're excited to explore several key areas that promise to deepen our understanding and expand the impact of the model beyond the InsightBridging experience.

Enhancing In-the-Moment Focus: Focus and attention are critical to learning outcomes, which is why intrinsic motivation is a key factor in our model. So, we're implementing methods to remove distractions and improve focus, such as interactivity, scanning tools, and accessibility interfaces. By applying these methods to important but typically dull interactions (e.g., Terms and Conditions), we will make these experiences more engaging and beneficial to the customer.

Broadening Market Applications: We are focused on providing consumer knowledge and empowerment in settings where the stakes are high, i.e., where sub-optimal decisions carry high risk. So we're exploring the unifying elements across different fields, such as safety, change management, and healthcare, and offering solutions to a wider array of challenges.

Adaptive Learning Experiences: An increasing body of evidence suggests that psychological traits such as extroversion, impulsivity, and conscientiousness influence financial decision-making more than traditional consumer demographics (FBG, 2022). We're investigating ways to support diverse customer profiles, and exploring how tailored experiences may impact a customer's emotions. This raises important questions about privacy and data protection, which we're committed to addressing responsibly.

Conscious AI Innovation: AI is an integral part of our design methodology and production processes, and a part of everyday life. While we're excited about the possibilities for improving analysis, production and customisation, we're mindful of the potential bias in AI and ML algorithms. Our goal is to ensure that all learners receive fair and equitable outcomes as we continue to innovate.

About Humbli

From the very beginning, our mission has been to empower organisations of all sizes to build stronger, more meaningful connections with their customers. We believe that by integrating learning into the customer journey, we can transform every interaction into an opportunity for growth and trust.

Today, we work with a diverse range of companies, both within Australia and internationally, to enhance customer engagement and retention through innovative learning experiences.

As Humbli has grown, so has our team. We've brought together experts in education, consumer psychology, CX and UX design, and AI, all committed to pushing the boundaries of what's possible.

Our appetite for innovation keeps us at the forefront of industry trends, developing new ways to enrich the customer experience and help businesses respond more effectively to their customers' evolving needs.

For questions or enquiries, please contact us at hello@humbli.com.au.



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